

The Perfect Storm: Marketing Clean Energy Today

The 10th Green Power Marketers Conference

October 25, 2005

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Background on SmartPower

- ✓ SmartPower is a non-profit marketing campaign on clean energy;
- ✓ Funded by private foundations (Rockefeller Brothers, John Merck, Oak, etc.) and various state clean energy funds (Connecticut Clean Energy Fund, Rhode Island, Pennsylvania, etc.);
- ✓ We are the “Dairy Council” on clean energy;
- ✓ Created Model operation in Connecticut, grew regionally, now growing nationally;

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Original Research

- ✓ Original research conducted 1 ½ years ago.
- ✓ We used national polling and focus groups;
- ✓ Original research found that the most significant barriers to the clean energy market are:
 - ✓ Viability: A sense that clean energy simply doesn't work;
 - ✓ Availability: Confusion among consumers on how to buy clean energy
 - ✓ Cost: Only after address concerns 1 and 2 did consumers ask about cost.
- ✓ Hence, the creation of “It’s real. It’s here. It’s working. Let’s make more.”

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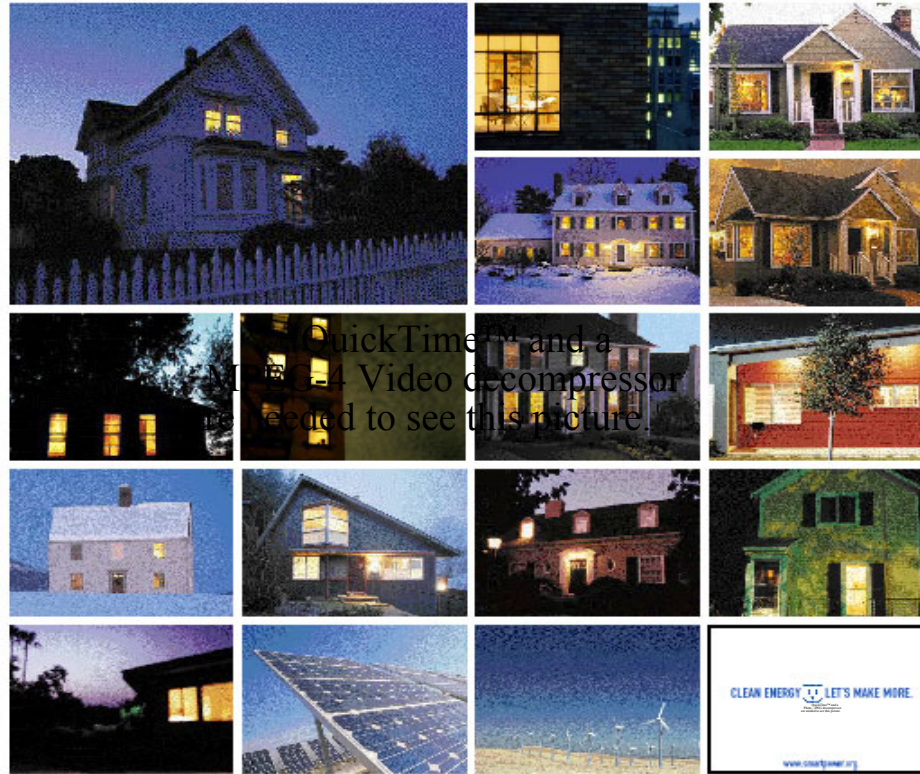
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“It’s Real. It’s Here.
It’s Working!”

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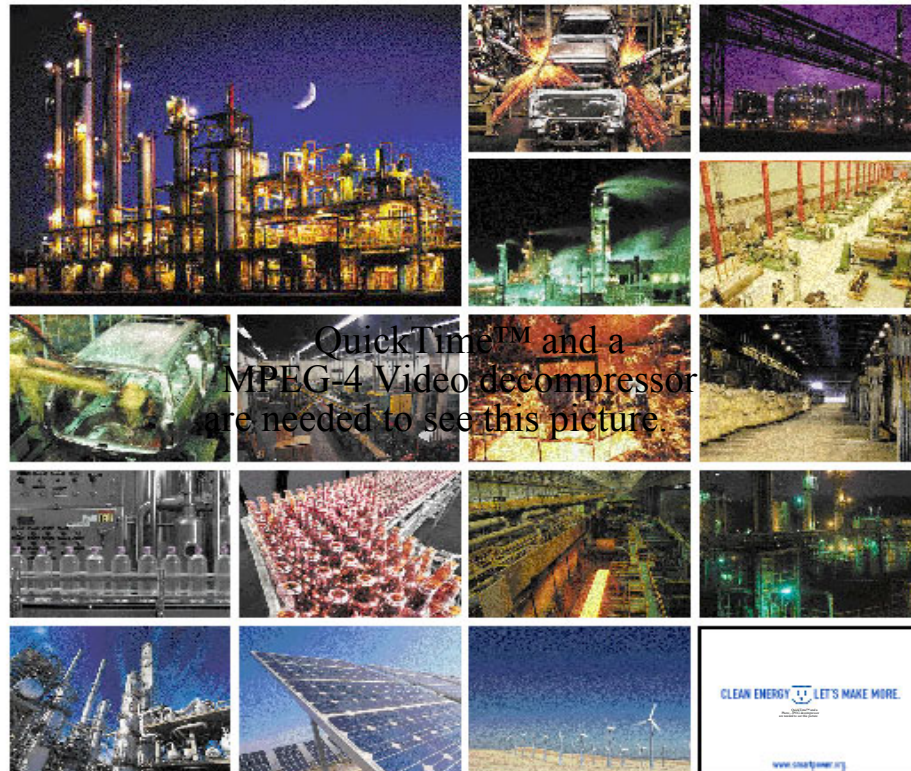
Television Spot #1: “Houses”



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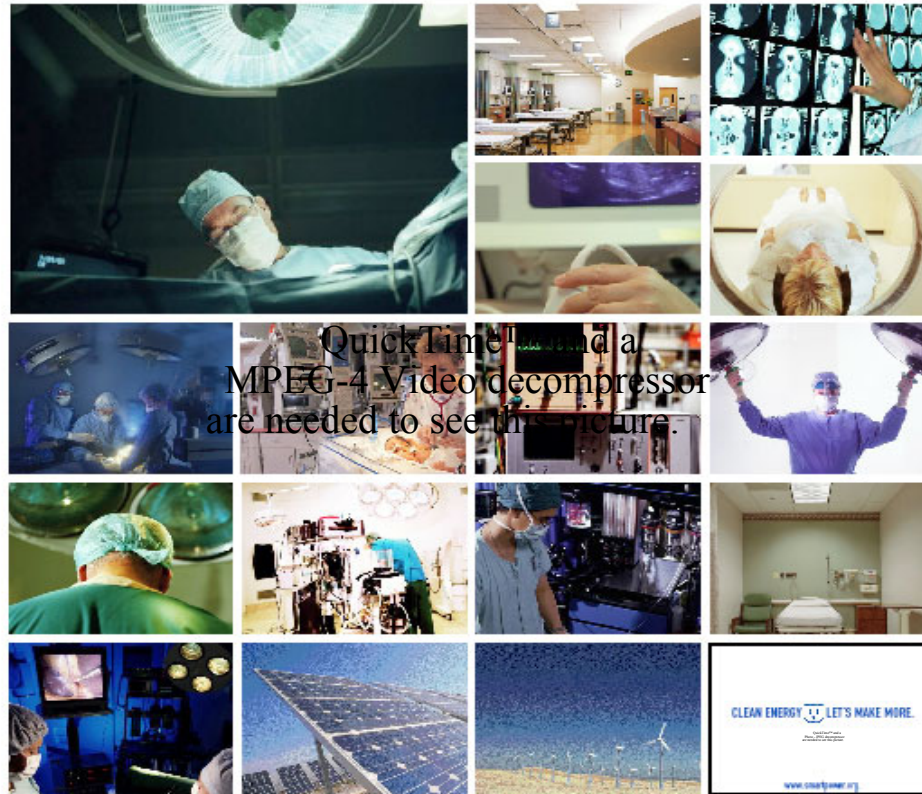
Television Spot #2: “Factories”



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Television Spot #3: “Hospitals”



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Television Spot #4: “Stadiums”

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New National Research Commissioned Spring and Summer, 2005

The new research should help us learn:

- ✓ Whether the message is still relevant,
- ✓ Has the marketplace changed in two years.
- ✓ Is the term “clean energy” the right term?
- ✓ Does the uniqueness of “my state’s” clean energy make a difference? (Solar v. Wind?)
- ✓ Are there unknown barriers or regional differences which would diminish the effectiveness of the message?
- ✓ Finally, we wanted to learn: do our ads resonate across the nation?

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Research Phase 2: Methodology

- ✓ Utilized same research firm and same methodology with some tweaks
- ✓ Expanded to nation-wide testing
 - ❑ Phoenix, Arizona (the West)
 - ❑ Atlanta, Georgia (the South)
 - ❑ Chicago, Illinois (the Midwest)
- ✓ Focus group format:
 - ❑ Consumers and opinion leaders
 - ❑ Two groups in each state

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Findings: Naming Clean Energy

“Clean energy” continues to emerge as the best term for energy produced from wind, sun and water.

- ✓ **“Alternative” energy wasn’t considered mainstream:** It had a countercultural feel to it. But more importantly it didn’t have legitimacy. As the alternative, it gave the impression of being a supplement to the real thing.
- ✓ **“Green” energy seemed to come from plants:** It was readily linked to things that were earth-friendly and wouldn’t hurt the environment - things that offered vitality and health. But the notion of green conjured up photosynthesis instead of power and didn’t seem strong enough.
- ✓ **“Natural” energy was considered from the earth, like fossil fuels:** It didn’t present a different idea. “Natural” seemed overused, like it was trying to jump on the bandwagon of all the other natural products out there now. There was also the sense that it would be depleted if it was natural, since natural resources were limited.

Findings: The Marketplace

The world has changed dramatically for consumers. And it's impacting the way they view clean energy. Events are coalescing to create a “perfect storm” for clean energy marketing. The time is now!

- ✓ **Oil/gas costs are soaring** and heightening the need for clean energy: “We need to do something”
- ✓ **For the first time, we see the war in Iraq having an impact:** “oil is driving our politics!”
- ✓ **Political climate is bothering people:** “They” need to fix this problem
- ✓ **Hybrid cars are mainstream:** “Everyone” has them -- and there is no sacrifice required

Findings: The Obituary

- ✓ Unlike a year and a half ago, people are less positive about fossil fuels and ready for a change;
- ✓ They still see changes in the distance -- but in many cases not as distant.
 - “Hybrids have entered the mainstream -- and made clean energy seem “closer”

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Fossil Fuel died after a long, slow illness called greed. Fossil has left the family of the Middle Eastern nations and former President George W. Bush and his cabinet members.

Currently, the world is adjusting from heating by oil and illuminating by electricity to solar and wind mill sources. There are several kinks to be worked out and roadblocks to conquer.

Will we ever be warm again? Miss you fossil fuel.

— *Massachusetts Opinion Leader*
2003

“It is with great sadness and regret that we announce the demise of fossil fuel. After hundreds of years of supplying the population of earth, the resource had been depleted.

It will be remembered for the warmth, comfort and pleasure it provided to living things. There will be a great void that needs to be filled perhaps through wind and solar power.

It will be sorely missed by all beings that depended on it to warm them, supply their transportation, power their equipment and support all the resources necessary for a safe and comfortable life.”

- *Connecticut Opinion Leader*
2003

Findings: The Obituary -- 2005

Fossil fuel died a slow death today. It died of lack of interest brought on by high cost, driven by limited (whether real or contrived) supplies.

It will be remembered for polluting the environment and making a few companies and individuals very rich.

Its place has been taken (finally) by an ever increasing supply of cost effective alternative fuel sources developed by entrepreneurs and made available to the masses. No one will miss it.”

Phoenix consumer
2005

Findings: The Obituary -- 2005

“Fossil fuel died a long, painful death after being revived repeatedly by multinational drilling and refining corporations worldwide. Fossil fuel will be remembered for good things: ushering forth modes of transportation and technologies undreamed of in the 19th century, and bad things chief among them ravaging the world’s most pristine wildernesses. Grieving SUV owners, Mideast oil cartels and international heads of state were in attendance.

Surviving are the estranged relatives: solar energy, wind power, hydro-electricity, among others.

Chicago consumer
2005

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Findings: The Drawings

- ✓ Perhaps because hybrid cars are being seen as mainstream, consumers do not report large trade offs in their clean energy world.
 - ✓ They are beginning to believing that we can have clean energy without sacrifices;
- ✓ Today. unlike a year and a half ago, people opined that a world with clean energy looked the same -- just cleaner.

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The Clean Energy World 2003



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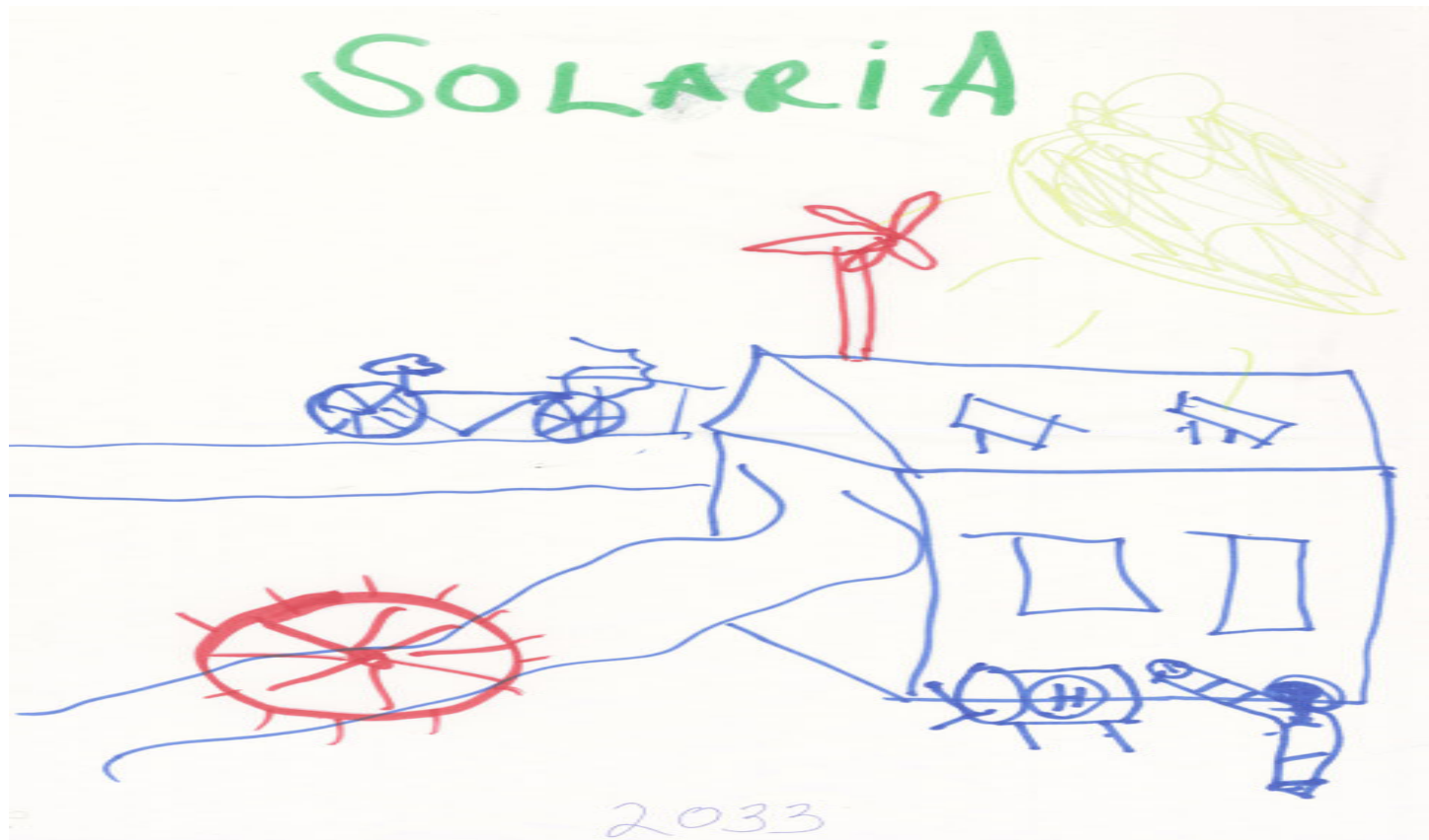
The Clean Energy World 2003



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The Clean Energy World 2003



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The Clean Energy World 2005



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The Clean Energy World 2005



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Findings: The TV Commercials

- ✓ After viewing the TV commercial responded much better than expected
 - ☐ “They make me feel optimistic,”
 - ☐ “There’s a real confidence”
 - ☐ ‘Houses’ makes me feel safe,”
 - ☐ “The facts in the commercials make it more real”
 - ☐ “If its in 11 states, why isn’t it in my state?”
 - ☐ “I’ll be visiting that web site, that’s for sure.”
 - ☐ Moderator reported these are some of the strongest responses he has seen when showing TV ads

TV Commercials

- ✓ We did see *some* regional issues in the ads:
 - ❑ “Factories” plays well in Phoenix and Chicago. But for Atlanta it was too Northern focused;
 - ❑ Mentioning specific states seems to distract the consumer from the real message of the ad;
 - ❑ The Chicago groups identified with the states in “Factories”;
 - ❑ The phrase “Power 11 states” in “Houses” was a compelling fact -- and led to discussion about “which” 11 states. “And why not ours!”
 - ❑ The message “It’s real. It’s here. It’s working.” is compelling and causes the respondents to more favorably view clean energy
 - ❑ All groups used words such as “strong”, “confidant” and “secure” when giving their impressions of the ads.

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Findings: Solar

- ✓ There seemed to be little difference in attitude between the effectiveness of solar and wind;
- ✓ Old attitudes and images still haunt solar
 - ❑ “We had it 20 years ago and it didn’t work”
 - ❑ “Not powerful enough to fuel a home”
 - ❑ “Its good for street signs and small areas”
- ✓ Particularly in Phoenix, (where these seems to be more “real life” experience with solar) it was not considered ready for prime time

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Conclusions

- ✓ Not since the 1970's have we seen the American consumer so “open” to the possibility of clean energy;
- ✓ The War in Iraq, high gasoline prices and the influx of hybrid cars are telling people that clean energy can actually work.
- ✓ Many felt oil companies were simply protecting their financial interests. Some believed the easy availability of fossil fuels had provided no incentive for looking beyond them.
- ✓ Others were more cynical, blaming the political power and greed of the oil companies for the lack of progress on technology related to other fuel sources.

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Next Steps

Use the message -- convince people that clean energy is real. It's here. And it's working.

Contact SmartPower

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visit cleanenergystates.org

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